



# PAYMENT OF DEBT COUNSELLING FEES

## **CIRCULAR No. 5 of 2016 – PAYMENT OF DEBT COUNSELLING FEES**

The purpose of this circular is to notify all registered debt counsellors about the project that the National Credit Regulator (“the NCR”) will undertake in conjunction with the accredited Payment Distribution Agents (“PDAs”).

The NCR has noted with grave concern the practice whereby some debt counsellors are permitting unregistered persons to receive debt counselling fees from the PDAs. This practice is prevalent in cases where the debt counsellor is employed by a company whose director(s) or shareholder(s) are not registrants of the NCR.

The NCR considers this practice a prohibited conduct as all applicable debt counselling fees accrue from the services offered by a registered debt counsellor. As a result, when the debt counsellor leaves the employment of the unregistered director(s) or shareholder(s), consumers are left without a debt counsellor.

This project will be rolled out on 24 February 2016 with the specific objective to address this practice. Therefore, the NCR requests all debt counsellors to cooperate with the PDAs in this regard. A formal and comprehensive notification which sets out the details of the project will be sent by the PDAs to all debt counsellors in their records.

Failure to cooperate on this project will result in the suspension of all applicable debt counselling fee payments until such time that the practice is addressed accordingly.

### **FOR MORE INFORMATION**

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